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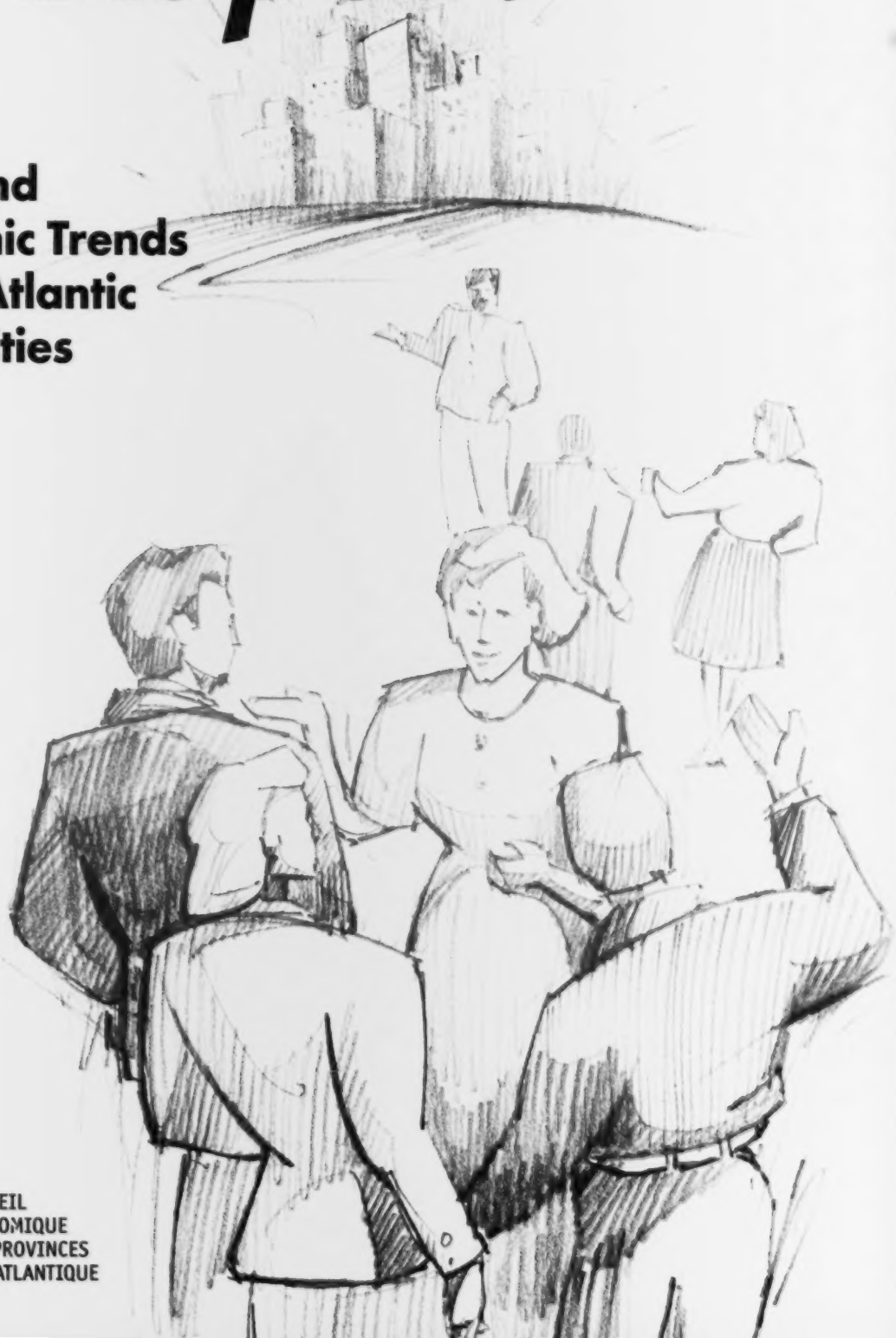

Economic and Demographic Trends Transform Atlantic Canada's Cities

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The Atlantic Provinces Economic Council (APEC) is an independent, not-for-profit, research and public policy organization that seeks to advance the economic development of the Atlantic Region. APEC's revenue is derived primarily from membership, funded research and sponsorships. Our membership includes individuals, small and large companies, labour groups, academic institutions, municipalities and government agencies.

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About this Report

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Atlantic Report
Highlights

Economic and Demographic Trends Transform Atlantic Canada's Cities

- Changes in the region's industrial structure are reshaping patterns of settlement in Atlantic Canada. In this article we examine how this shift in economic structure is contributing to the growth of the region's urban areas.

- Atlantic Canada has resisted the trend towards greater urbanization, remaining the most rural region of Canada. However, patterns are changing. The path towards urban agglomeration is now as evident in Atlantic Canada as elsewhere across the country, a trend that has been intensifying over the last ten years.

- The growth of the largest cities in Atlantic Canada has been driven by population from other parts of each province. Since 2003 immigration has also become a more important source of population growth in the region's cities.

- The rapid change in terms of the movement of jobs and population into urban areas will have enormous implications for government policy over the next decade.

- The future competitiveness of Atlantic Canada depends in part on ensuring that cities are attractive places for people to live and work and for companies to do business.

Atlantic Canada Overview

- Spending and income growth remains positive, but employment gains are concentrated in Newfoundland and Labrador and Prince Edward Island and there are early signs retail sales are softening. Higher interest rates could reduce housing activity and limit purchases of related big ticket items in the second half of 2010, such as furniture and appliances.

- Despite strong growth in exports in New Brunswick, total merchandise exports of goods in Atlantic Canada remain 36% below pre-recession peak levels. Along with manufacturing shipments, exports remain well below peak because commodity prices are lower today than they were in June 2008.

- The pace of recovery has slowed in the United States, a major trading partner for Atlantic Canada. Meanwhile, the fiscal outlook in Europe has worsened. Along with rising interest rates in Canada, the weakness elsewhere has strengthened the Canadian dollar and could dampen export activity.

- The need for further economic stimulus is starting to enter into mainstream thinking, as two of the Maritime provinces have called for a third year of Federal economic stimulus.

Economic and Demographic Trends Transform Atlantic Canada's Cities

Changes in the region's industrial structure are reshaping patterns of settlement in Atlantic Canada. The Winter 2010 edition of Atlantic Report identified how globalization is spurring growth in new industries and discussed strategies required to enhance productivity growth. In this article we examine how this shift in economic structure is contributing to the growth of the region's urban areas.

The Evolving Urban Landscape

The rapid growth of large urban areas has been a dominant characteristic of the global economy over the past 50 years, and mega-cities are now becoming the norm rather than the exception in many countries. Over half of Canada's population – 51% - now live in cities over 500,000 in size, compared to about a quarter at the start of the 1960s. Over much of this period, Atlantic Canada resisted the trend towards greater urbanization, remaining the most rural region of Canada.[i] However, patterns are changing. The path towards urban agglomeration is now as evident in Atlantic Canada as elsewhere across the country, a trend that has been intensifying over the last ten years.

Employment Growth in Cities

Changing employment opportunities are a key factor behind urban growth. Employment grew by 17% in Atlantic Canada's six urban economic regions (see definition box) between 1999 and 2009 compared to a 4% growth rate in other less urbanized regions. In the most recent five-year period, all Atlantic urban economic regions with the exception of Sydney surpassed the national employment trend. Employment in urban economic regions is currently 59% of total Atlantic employment.

Measuring Urban Growth

Census Metropolitan Area (CMA) – has a minimum population of 100,000 with 50,000 living in the urban core. Atlantic CMAs are Halifax, NS; St. John's, NL; Moncton, NB; and Saint John, NB..

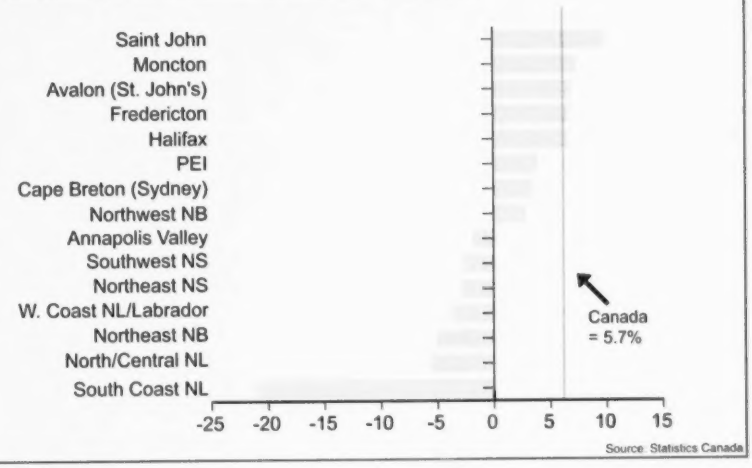
Census Agglomeration (CA) – has a minimum population of 10,000. Atlantic CAs with a population greater than 50,000 are Sydney, NS; Fredericton, NB; and Charlottetown, PEI.

Economic Region – a grouping of census divisions that allows for the analysis of regional economic activity. For example the Moncton region includes three counties surrounding the city (Westmorland, Albert and Kent). Statistics Canada defines 15 economic regions in Atlantic Canada.

Urban Economic Region - a subset of the above grouping defined as "an Economic Region dominated by a large urban area." For the purposes of this article, six urban regions are defined for Atlantic Canada, based on the criteria that more than two-thirds of that region's employment is concentrated in its major urban area. The six urban regions are: Avalon (St. John's) in Newfoundland; Halifax and Cape Breton (Sydney) in Nova Scotia; and Moncton, Fredericton and Saint John in New Brunswick. As Prince Edward Island is classified as one region, it does not meet this criterion.

Employment growth in urban areas is linked to the opportunities of a more global, knowledge-based economy. Within this region's most successful companies there are many signs of positive adaptation to the global economy, with companies reaching new markets by embracing emerging technologies and advanced manufacturing processes. Expanding sectors such as the information and communication technologies (ICT), biosciences, and aerospace and defence are typically located in or near cities as they rely on access to a highly trained labour force as well as advanced transportation and communications systems. For example about 70% of the ICT labour force is currently concentrated in Atlantic Canada's urban economic regions. Most bioscience firms are also located in urban areas with a growing concentration of activity in Charlottetown and Halifax.

More Employment Opportunities Exist in Urban Areas of Atlantic Canada
Employment growth in economic regions, 2004 - 2009 (%)



The growth of the resource sector in Atlantic Canada has been a boost to employment in urban-based professional services over the past ten years. Although mining and energy projects are typically located in more remote regions, many of the high-paying jobs in firms which supply this sector (including engineering, project development, other professional services) are typically located in the region's cities. As a result, employment growth in the professional services in Atlantic urban economic regions (+42%) has exceeded the national trend (+33%). The professional service category also includes employment in emerging sectors such as biosciences, the ICT sector, and other technical fields. Other industries that are growing strongly in urban economic regions include construction (up 50% due to increased demand for housing) and health care (+35% in part due to increased

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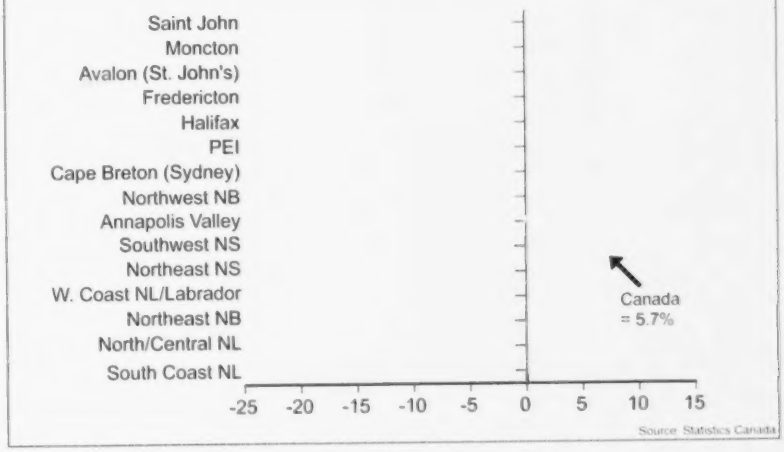
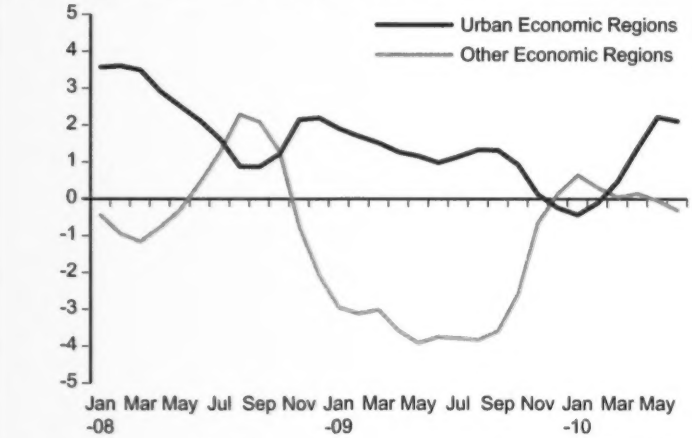


The growth of the resource sector in Atlantic Canada has been a boost to employment in urban-based professional services over the past ten years. Although mining and energy projects are typically located in more remote regions, many of the high-paying jobs in firms which supply this sector (including engineering, project development, other professional services) are typically located in the region's cities. As a result, employment growth in the professional services in Atlantic urban economic regions (+42%) has exceeded the national trend (+33%). The professional service category also includes employment in emerging sectors such as biosciences, the ICT sector, and other technical fields. Other industries that are growing strongly in urban economic regions include construction (up 50% due to increased demand for housing) and health care (+35% in part due to increased

demand from an aging population). Business services (largely call centres) contributed strongly to urban growth particularly in the early years of this decade, with employment in this sector increasing by 51% in Atlantic urban economic regions between 1999 and 2009. However, this industry is now in decline, with a loss of about 6,000 jobs over the last three years.

As employment in these sectors has expanded in urban areas, there has been a commensurate increase in demand for urban-based services such as retail, restaurants and entertainment, and recreation. Almost 74% of Atlantic employment growth in the service industries has occurred in Atlantic urban economic regions.

Most of the Job Losses During the Recession were in Rural Areas
Employment growth (% change over previous year)



Source: Statistics Canada, APEC

With more robust labour markets, the unemployment rate in many Atlantic urban economic regions has also fallen well below the national unemployment rate over the last ten years. In Halifax for example, the aggregate unemployment rate fell below 5% on several occasions in the two-year period leading up to the recession at the end of 2008, and well below that in many individual service industries. Labour shortages became evident in many occupations and sectors with outmigration contributing to the trend. While urban labour shortages were relieved somewhat by the recession, these are likely to re-emerge once the economy starts to gain more momentum.

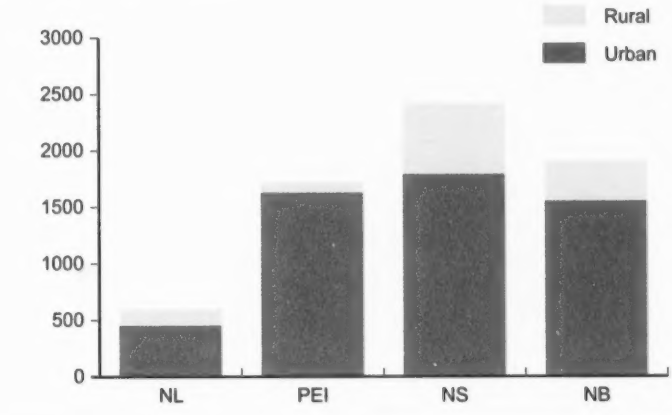
The gap between urban and rural job growth has become even more pronounced through the recession. Atlantic manufacturing enterprises, particularly those in the fish, forest and food processing sectors have faced stiff competition from low-cost global suppliers for more than two decades and as a consequence, many rural regions in Atlantic Canada have experienced a steady decline in employment. Northwestern New Brunswick has been the exception to this trend. Low commodity prices and weak U.S. demand further exacerbated the challenges faced by Atlantic manufacturers, leading to a sharp fall in Atlantic manufacturing employment through the recession. As a result, net employment in rural economic regions of Atlantic Canada fell sharply (down 15,000 from 2008 to 2009).

Population Impact

Recent population estimates for economic regions corroborate the significant shift in population from rural areas to urban centres. In Newfoundland and Labrador the population fell by over 24,000 between 1999 and 2009 but the population of the Avalon Peninsula (which includes the city of St. John's) grew by nearly 8,500 over that period. Similarly the population of New Brunswick fell by over 1,100 while the economic region that includes Moncton grew by 16,500. In Nova Scotia the population increased by about 4,400 but there was a 35,000 increase in the Halifax economic region.

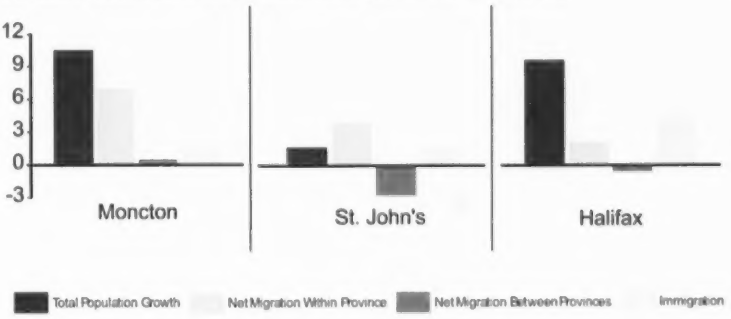
Since 2003, immigration has become a more important source of population growth in Atlantic cities. The number of immigrants to six Atlantic cities[iii] almost tripled between 2003 and 2009. The Provincial Nominee Programs that were introduced in each province between 1999 and 2002 are a key reason behind the surge in immigration. The strongest increase in immigration was in Charlottetown which grew from 110 immigrants in 2003 to over 1,600 in 2009. The three New Brunswick cities all had growth in immigration of over 200% over that period. Increases in Halifax (63%) and St. John's (77%) were slower than the other cities but Halifax has long been the dominant centre for immigration in Atlantic Canada. In 2009 about 82% of all immigrants into the region landed in one of these six cities even though as a group, these cities only account for 41% of the region's population. Although immigration has boosted urban population growth, retention of immigrants continues to be a challenge as many immigrants eventually move to larger immigrant communities centered in Toronto, Vancouver and Montreal.

Cities are the Biggest Beneficiaries of Immigration
Number of Immigrants, 2009



Source: Statistics Canada

Population Drivers Vary by City
Population growth, total and contribution to growth 1998 - 2008 (%)



Note: Chart shows contribution of migration to total population growth in each city.

Source: Statistics Canada/APEC

While immigration has grown in importance, the principal source of population growth for cities in Atlantic Canada has been migration from within each province. Between 1998 and 2008, the Moncton CMA had the largest population increase among Atlantic economic regions at 10.5%. About two-thirds of that growth came from other parts of New Brunswick, largely the Acadian Peninsula and northwestern part of the province – areas hit hard by a downsizing of manufacturing especially in the forest industry. For the francophone population in northern New Brunswick, Moncton as the province's most bilingual city has provided a strong draw. Growth in the St. John's CMA over the same period was also largely due to migration from other parts of Newfoundland and Labrador. The story in Halifax is slightly different as the main driver of population growth over the 1998-2008 period was immigration although an influx of population from other parts of the province also played a positive role.

The key drain on population in the region's cities has been outmigration to other provinces. Most of the outmigration over the last decade occurred between 1999 and 2001 due to a booming Ontario economy, and between 2004 and 2007 due

to the rapid expansion of the Alberta oil sands. However, since 2007 outmigration from Atlantic Canada has reversed due to a slower economy in western Canada.

Will Atlantic cities be able to rely on migration from within the province as the chief supply of population growth in the future? New population projections from Statistics Canada[iv] indicate that changes in the demographic profile of the region are likely to constrain intra-provincial migration in the future. One scenario based on moderate growth assumptions[v] suggests that the Atlantic region (especially the Maritime provinces) could face flat population growth over the next ten years, with a decline in the natural rate of population growth (births less deaths) offset by an increase in immigration. As the decade progresses, the aging population is expected to have an increasingly negative effect on population growth.

Under this scenario, new entrants into the labour force (those aged 15-24 yrs) are expected to decline in Atlantic Canada by about 48,000 while those over 65 are projected to increase by about 150,000 as a large portion of baby boomers enter retirement. The working age population (aged 15-64) is projected to fall by over 100,000 between 2009 and 2019. This compares with an increase of about 4,000 between 1999 and 2009. As the pool of potential in-province migrants diminishes, Atlantic cities will need to explore new sources of labour to support future growth

Growth of the Rural Fringe

Population growth in Atlantic cities has spurred stronger housing growth. Housing starts in the six Atlantic cities[vi] grew by 35% in the 2000s compared to the 1990s while starts in rural areas fell by 2% over the same period. The largest increase was in Moncton where starts increased by 79% in the 2000s. In Newfoundland and Labrador, housing starts have been especially strong in the latter half of the decade boosted by optimism around long-term economic growth from the oil and mining sector. House prices have also grown more strongly in the largest cities than in rural areas over the last decade. Housing demand in cities is expected to remain strong as the population continues to concentrate in metropolitan areas.

Within cities, commuting patterns are changing in part due to households seeking lower-cost housing in suburban or adjoining rural areas. The majority (72%) of employed individuals in Atlantic Canada's urban areas (CMAs and CAs) continue to live in the urban core[vii]. However, between 2001 and 2009, nearly 63% of employment growth in Atlantic Canada's urban areas was accounted for by people living in the rural fringe[viii] of these cities. As business and household locations continue to evolve, this has significant implications for the level and type of transportation services required to support these changing commuting patterns. Longer commuting times reduce the productivity of workers and take away from their personal time. An OECD report[ix] has estimated that traffic congestion in Toronto has cost businesses and employees over $3 billion in lost productivity.

Conclusion

As the analysis in this article has illustrated, Atlantic Canada is quickly evolving to a more urban based economy. Based on our understanding of economic trends, it is reasonable to assume that in 20 years, the face of Atlantic Canada will look very different than it does today, with a much higher percentage of its population living in one of its key urban centres.

This rapid change in terms of the movement of jobs and population into urban areas will have enormous implications for government policy over the next decade. For municipal governments, satisfying the demand for services and infrastructure poses a continuing challenge, in part due to the lack of dedicated funding to this level of government. Programs such as the Federal Gas Tax Fund for Municipalities introduced in 2005 to address infrastructure deficiencies in cities have helped but more needs to be done to ensure that cities are able to provide the services needed by a growing population. The Canadian Federation of Municipalities estimates that Canadian municipalities currently face a $123 billion infrastructure deficit.

For provincial governments, addressing the looming labour shortage will be a major challenge as the population ages and the pool of in-provincial migrants diminishes. The senior levels of governments are already well aware of these challenges having launched initiatives to increase the level of immigration and repatriate former Atlantic Canadians. But more needs to be done to increase participation rates for older workers, women and aboriginal Canadians. Particularly important are new strategies to encourage young people, particularly those just completing post-secondary training to remain in the region. The latter will require a combined effort by business and government to ensure that capable young Atlantic Canadians do not automatically look elsewhere in Canada for their first jobs. Some ways that employers could encourage younger workers to continue working and living in this region are more apprenticeship programs, improvements and flexibility in the working environment and providing opportunities for further training.

But perhaps the biggest challenge is the need for a change in attitude by Atlantic Canadians exemplified by a willingness to embrace the benefits of greater urban growth. Vibrant urban areas, with economic opportunities and services comparable to other Canadian cities, are essential to encourage young people and families to stay in this region. The future competitiveness of Atlantic Canada depends in large part on ensuring that cities are attractive places for people to live and work and for companies to do business. Economic development strategies need to recognize that urban areas are engines of economic activity and ensure that policies and programs serve to support future growth of the region's cities.■

i Canada's urban share of the population increased from 70% in 1961 to over 80% in 2006 while Atlantic Canada's urban share has increased from 50% to 54%. (Statistics Canada)

ii Nova Scotia Economic Advisory Panel, Addressing Nova Scotia's Fiscal Challenges, 2009.

iii Data is only available for Halifax, St. John's, Moncton, Saint John, Fredericton, and Charlottetown (Citizenship and Immigration Canada)

iv Statistics Canada released its latest population projection scenarios for the provinces in May 2010. Details can be found at www.statcan.gc.ca

v Statistics Canada produced six scenarios for their population projections (low growth, high growth and four medium growth scenarios based on different interprovincial migration patterns). We chose the medium growth scenario that was based on interprovincial migration patterns during the 2001-2006 period as it was the least volatile.

vi Data is only available for Halifax, St. John's, Moncton, Saint John, Fredericton, and Charlottetown (CMHC)

vii The urban core is a large urban area within a CMA or CA that must have a population of at least 100,000 in the case of a CMA, or between 10,000 and 99,999 in the case of a CA and have a population density of at least 400 per square kilometre.

viii The rural fringe is an area within a CMA or CA that has a population density of less than 400 per square kilometre.

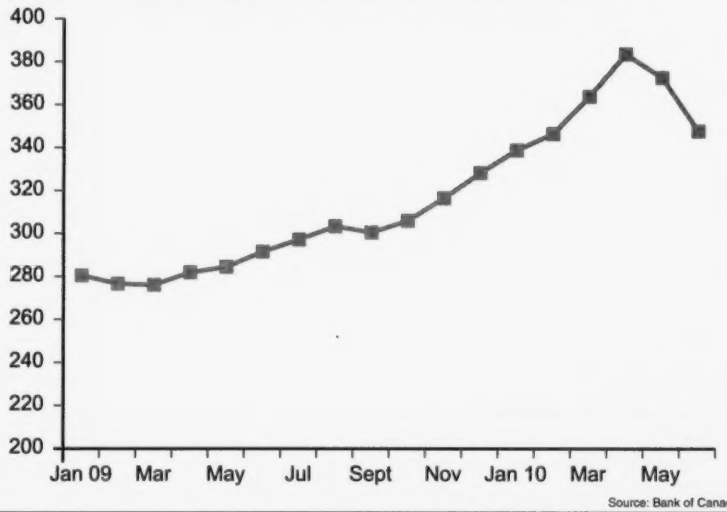
ix OECD Territorial Reviews – Toronto, Canada (2010)

Atlantic Overview

Signs of a Cooling Atlantic Economy

Although Atlantic Canada saw strong growth in consumer spending plus gains in incomes and employment in the early part of the year, recent indicators have softened. The cooling economies of the United States and Europe may dampen a recovery in Atlantic exports in the second half of the year.

Non-energy Commodity Prices Soften in Second Quarter
Bank of Canada Commodity Price Index Excluding Energy, Jan 1972 = 100



Source: Bank of Canada

Even though retail sales have recovered beyond their pre-recession peak, the pace of Atlantic Canada's retail sales has slowed, with May sales coming in more than 1% below their March 2010 peak. Total employment in the Atlantic Provinces rebounded marginally in July, but part-time employment gains offset full-time employment losses. Year-to-date employment growth is concentrated in Newfoundland and Labrador and Prince Edward Island, but Atlantic Canada's employment growth is below the national growth rate.

However, Atlantic Canadian housing starts shot up almost one-third in the first half of 2010, as Atlantic Canadians moved to get ahead of future interest rate increases. The Canada Real Estate Association (CREA) revised its regional forecast down for existing housing resales in 2010, but it still displays growth across most of Atlantic Canada, except for New Brunswick. Double digit growth in Prince Edward Island and Newfoundland and Labrador will push resales in Atlantic Canada up over 3% in 2010. Given that resales in Atlantic Canada in the first half of 2010 were up 10.5%, it's obvious that CREA is expecting resales to turn negative in the second half of 2010. If interest rates continue to rise over the next year, Atlantic Canadians are likely to invest less in housing, as well as purchase less furniture and appliances. The housing market has already begun to soften in central and western Canada. The latest private sector consensus as of June 2010 forecasts short-term Treasury Bill interest rates to average 2.3% in 2011, indicating rates are expected to rise.

While New Brunswick exports continue to defy the gravitational effects of lower global demand, the rest of Atlantic Canada experienced lower export activity. Strength in New Brunswick pulled Atlantic Canada's exports up into the double digits, buoyed by strength in energy exports. However, exports of merchandise goods from Atlantic Canada are still over one third below their pre-recession peak. Part of the reason for lower export values is due to lower commodity prices. The Bank of Canada's commodity price index is 40% below its pre-recession peak. The Canadian loonie has recently gained ground on the U.S. greenback, as lending rates increased 50 basis points in Canada - while remaining unchanged in the U.S. This appreciation of the Canadian dollar could slow the pace of recovery in Atlantic Canada's exports.

Real GDP in the United States in the second quarter of 2010 expanded by 2.4% and a number of U.S. economic indicators point to weaker economic activity, including a slowdown in manufacturing shipments, retail sales and employment. However, some of the slowdown in U.S. employment is due to the loss of temporary Census enumerator employment. Fiscal deficits and debt in Europe caused the Canadian dollar to strengthen against the euro. The European Commission forecast in the spring that the European Union's deficit as a per cent of GDP would rise to 7.2% in 2010, and in the United Kingdom, France and Germany it would hit 12%, 8% and 5%, respectively.

By comparison, Canada's federal deficit is expected to reach 3.1% of GDP in 2010/2011. Also overseas, China began scaling back economic stimulus to slow its overheated economy. Lower global economic growth will translate into reduced global demand, which will put downward pressure on commodity prices.

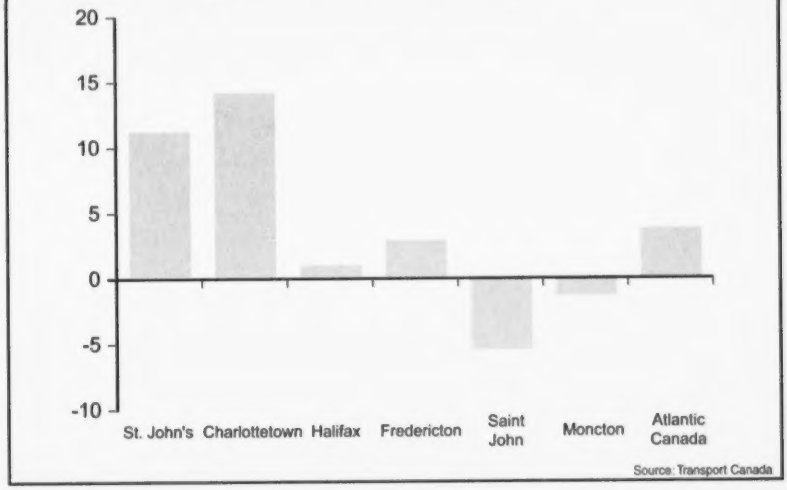
While crude oil prices are up 53% year-to-date in U.S. dollars, natural gas prices are up 14% year-to-date. Meanwhile, other commodity prices have softened in recent months, with the exception of gold, iron ore and potash, as fears of weakness in global demand filtered through the economy. Lumber (-34%), zinc (-28%), nickel (-26%) and copper (-16%) prices in June were all down versus their most recent monthly peak in 2010.

While growth in manufacturing shipments slowed in May versus the previous month, manufacturing shipments are up 15% year-to-date in Atlantic Canada. Only P.E.I. is exhibiting weakness in manufacturing shipments. There is a strong relationship between manufacturing activity and exports of merchandise goods. Manufacturing shipments in Atlantic Canada are 22% below their pre-recession peak, while exports have suffered a slump of similar proportions.

An examination of port activity between Saint John and Halifax provides some limited evidence of a split in trade activity between New Brunswick and Nova Scotia. Saint John's cargo tonnage is up 17% in the first half of 2010, but Halifax's cargo tonnage is down 5%. Halifax handles roughly ten times the containerized cargo traffic that Saint John does, making it more susceptible to fluctuations in global demand for consumer goods. Saint John cargo activity has increased in 2010 due to gains in potash and salt shipments, which have shot up 316% year to date in 2010. It is also benefiting from LNG shipments.

Private non-residential investment in Atlantic Canada is down 3% in the first half of 2010, but institutional investment is up 17% - excluding investment in engineering construction. Two of the Maritime provinces are calling for a third year of federal economic stimulus, while the Canadian Federation of Municipalities is concerned about federal funding availability for cost-shared projects not completed by March 31, 2011. Fewer major projects in 2011 could reduce construction and professional services employment.

Air Passenger Traffic Rebounds in Charlottetown and St. John's
Change in air passengers, Jan-Jun 2010 vs Jan-Jun 2009 (%)



Source: Transport Canada

During times of weak revenues, the private and public sectors often trim travel, advertising, training and out-sourced expenditures. This is showing up in Atlantic Canada with the scale-back of contact centre activity, the demise of marketing firms and less advertising. A recent study revealed that contact centre employment in Moncton fell almost 8% between 2006 and 2009. Despite Atlantic Canada's air passenger traffic falling 4% in 2009, it has rebounded by the same amount in the first half of 2010. The Charlottetown and St. John's airports have both experienced double-digit growth.

A recent Bank of Montreal survey of medium-sized businesses suggests the key priorities for business investment during the recovery process will be productivity, marketing and training, suggesting a recovery is underway as firms discard cost cutting in favour of revenue-generating activities.■

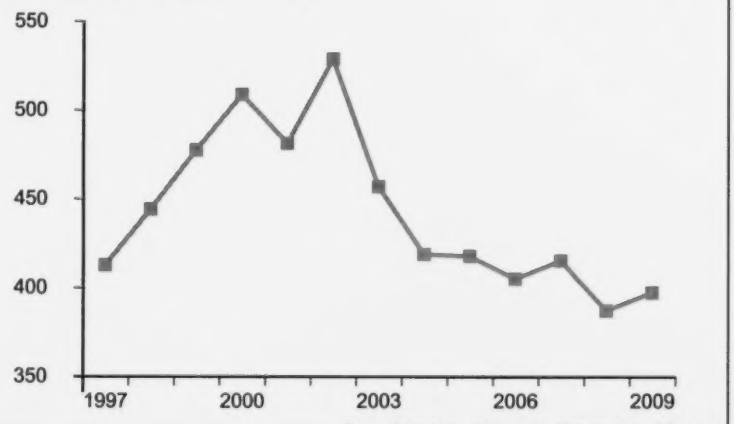
Provincial Report
Newfoundland & Labrador

Current Conditions

The Newfoundland and Labrador economy continued to make gains in the first half of 2010, due to strong growth in the housing market and positive growth in employment and consumer spending. However, some weakness was exhibited in non-energy exports. The mining and oil extraction sector is expected to gain back some of the ground it lost last year, but it will take a while before commodity prices return to previous peaks.

Demand for Marine Atlantic Ferry Service to and from Newfoundland Has Declined

Marine Atlantic passengers (thousands)



Source: Marine Atlantic & Department of Tourism, Culture & Recreation

Employment expanded by 2.8% in the first seven months of 2010, which was only eclipsed by Prince Edward Island. The largest gains were in health care, accommodation and food services, and trade. Air passenger traffic and occupancy rates are up to the end of June, but Marine Atlantic passenger traffic is down. These tourism gains raised hotel and restaurant employment. Average weekly wages rose 5% in the first five months of 2010, which boosted spending and trade employment. Retail sales, excluding gasoline, rose 6% year-to-date - a full percentage point higher than Canada's growth rate. Spending on big ticket items, plus discretionary spending, has been robust.

Average resale prices or existing homes in the province increased 15% in the first half on 2010, the highest amongst all provinces.

Residential investment in Newfoundland and Labrador increased 18% in the first quarter, well above the 11% growth nationally. Housing starts in St. John's are up one quarter in the first half of 2010. Average resale prices for existing homes in the province increased 15% in the first half of 2010, the highest amongst all provinces. Housing resale units sold increased 16% year-to-date. The buoyant housing market lifted furniture sales. Meanwhile, non-residential building permits rose 212% to the end of June, with strong growth in the industrial sector.

Total exports of merchandise goods are down 4% to the end of May, as gains in energy exports were unable to offset a decline in non-energy exports. Energy exports increased 11%. Oil production in volume terms is down almost 5% year-to-date to the end of May, but oil prices have increased 53% in the first half of 2010. Petroleum refinery exports have increased 22% year-to-date.

Non-energy exports are down 32%. In terms of non-energy exports, iron ore industry exports are down 45% to the end of May. However, iron ore prices shot up 65% in the second quarter of 2010. This suggests most of the decline in exports is due to lower production. Labrador Iron Mines Holdings Ltd. hopes to bring its iron ore mine near Schefferville into commercial operation in mid-2010, which should boost iron ore exports in the second half of 2010. The expansion of Iron Ore Company of Canada's Labrador City mine should also boost exports over the next few years. Newsprint exports are down 58% because of the closure of the Abitibi-Bowater mill in Grand Falls-Windsor. Seafood product industry exports are up 7% year-to-date.

Fishing industry exports are up 70% and seafood product exports are up almost 8%. The Northern Shrimp Company closed its shrimp processing facility in Jackson's Arm for the season due to pricing, market conditions and exchange rate issues. Employees at Ocean Choice International's six fish processing facilities accepted a two-year contract, including a 25% increase in base pay.

The provincial government will invest $14 million in fisheries research by chartering a research vessel and establishing the Centre for Fisheries Ecosystem Research at Memorial University's Fisheries and Marine Institute.

Transportation & Shipbuilding

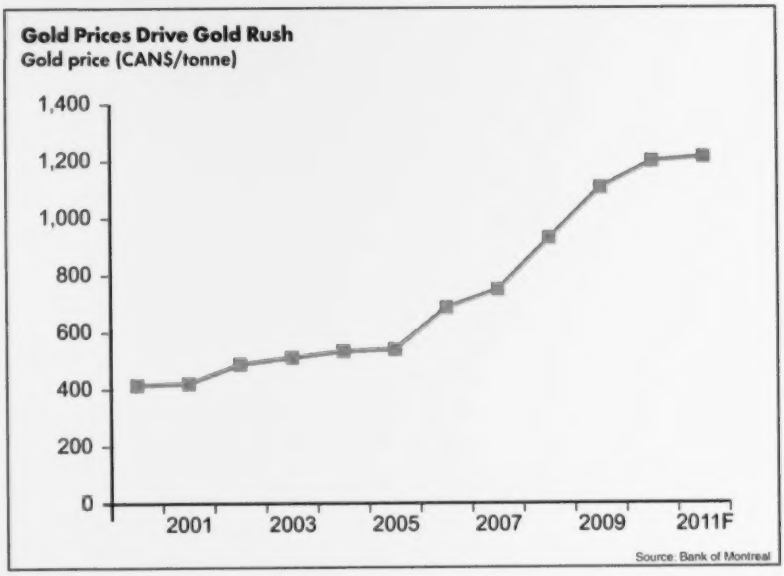
Marine Atlantic announced in early July that it plans on spending $521 million over the next five years on terminal and port infrastructure at all three ports (Argentia, Port aux Basques, and North Sydney), and vessel renewal. Approximately $68 million will be spent on terminal and port infrastructure, $308 million on vessel renewal, including the chartering of two Stena vessels, and $145 million for operating expenses. Marine Atlantic passenger movements are down almost 2% year to date. Passenger traffic has been in a state of decline since 2003, supporting the need to renew the ferry service's fleet and shore facilities, and improve the quality and reliability of its services.

The Port of St. John's updated its economic impact study and reported that it adds roughly $255 million to provincial GDP and creates over 3,000 direct and indirect jobs. The tentative cruise vessel schedule suggests a decline in the number of cruise passengers in 2010.

Kiewit Offshore's Marystown Shipyard is refitting the Henry Goodrich drilling rig, which should employ upwards of 350 people over the summer. This shipyard will likely bid on the $2.6 billion federal procurement to build two Joint Supply Ships for the Canadian navy and an option for a third ship.

Mining

Three mining operations are under development or operating in the Baie Verte area, most of which are focused on gold mining. The Pine Cove mine operated by Anaconda Mining has been producing gold since 2008 and has estimated reserves of 207,000 ounces. Rambler Mines and Metals received environmental approval for its Ming mine in late May and will begin producing copper, with gold and silver as by-products, in 2011. Tenacity Gold Mining Co. Ltd. will soon begin producing gold from its mines at Stog'er Tight and Deer Cove after receiving environmental approval in early May. Employment in the mineral industry is forecast to surpass 5,100 in 2010, a 20% increase over 2009, mainly due to the construction of the Vale processing facility at Long Harbour. The strike at Vale's nickel mine in Labrador has not been resolved, despite a resolution at Vale operations in Ontario.



Energy

Nalcor Energy released its benefits strategy for the Lower Churchill Falls hydroelectric project in mid-July. It includes 21.5 million person hours of construction employment on two hydroelectric developments at Gull Island and Muskrat Falls, as well as the Labrador-Island Transmission Link, and 6.5 million in engineering and project management person hours. Newfoundland Power is seeking regulatory approval to invest $73 million in capital upgrades in 2011.

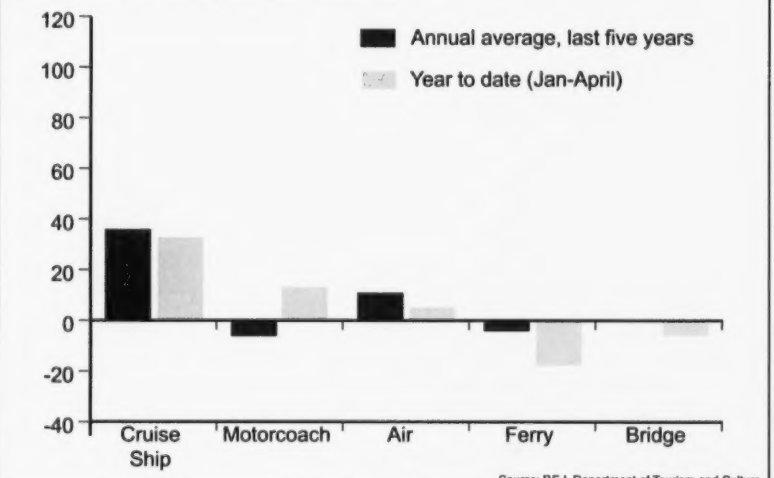
Two call for bids on exploration licenses for the Flemish Pass/Central Ridge were issued in early July and there was a call for bids on the Jeanne D'Arc Basin back in April. In early 2010, approximately $47 million in bids on exploration licenses was approved, prior to the recent call for bids. Of the three exploration wells drilled this year, two have been abandoned. Husky Oil has been drilling production wells at North Amethyst in 2010 as part of the greater White Rose oil project and work has begun on drilling production wells for the Hibernia Southern Extension. ■

Provincial Report
Prince Edward Island

Current Conditions

There are diverging trends in the first half of 2010. Employment, consumer spending and the housing market have all shown strength, but the province's industrial sector is lagging the rest of Canada due to disappointing exports and non-residential investment.

As Traditional Methods of Visitation Slow, the Island Looks to Other Sources
Growth rate in the number of visitors to the province by traffic source
Jan - Jun 2010 vs Average for 2005 - 2009 (%)



Source: P.E.I. Department of Tourism and Culture

Average employment in the first seven months of this year is up 4% over 2009, the strongest growth in Canada. However, employment on a seasonally adjusted basis pulled back in May and by July was still below its April peak. Retail/wholesale trade, health care and education account for a large part of employment gains so far this year. Manufacturing employment is down from 2009.

PEI's overall exports are down 18% – the steepest drop in Canada.

Job gains and wage growth have supported an 8% increase in retail spending, slightly higher than the national average of 7%. Motor vehicle purchases are up 13%, while spending also shows double digit growth for many big ticket and discretionary items. These trends are in sync with growth in trade employment and housing starts.

Housing starts are up 11% in the first half of 2010. Urban housing starts are up 16%, while rural starts dropped 7% from last year. However, non-residential investment spending is the weakest in Canada, down 38% compared to a 6% drop nationally. The steepest drop was in industrial investment, but commercial and institutional sectors are also down.

PEI's overall exports are down 18% – the steepest drop in Canada. The steep decline in exports is concentrated heavily in potato exports. Exports of frozen french fries are down 20% as consumer appetites for french fries wane, while exports of fresh potatoes are down 25%. As a result of declining demand, the 2010 potato acreage planted is 12% below its 2007 level. Exports of aerospace and fish products, including lobster, are also down, but there has been a significant jump in pharmaceutical exports. Lobster prices are currently $4.50 per pound, well below their 2008 peak.

Energy

Renewable energy projects on the Island were dealt a number of setbacks so far this year. Solar Source Corp.'s proposed $100 million solar panel manufacturing plant and the City of Summerside's potential biomass generating station were both deemed economically unviable and postponed indefinitely. Early in the year the province sent out a request for proposals to develop 130 MW of renewable electricity (30 MW for domestic consumption, 100 MW for export). The original proposals made by six separate developers were all rejected by Maritime Electric because they would result in a rate increase for the residents of the province. P.E.I. already has the highest power rates of any province in Canada. Proponents were invited to resubmit new proposals in June. Unfortunately, Maritime Electric has decided to only proceed with the 30 MW of electricity for domestic use with a target completion date in 2012. A lack of interest from developers and investors due to current economic conditions has been cited as the main reason for eliminating the other 100 MW of electricity for export.

Tourism

Prince Edward Island has experienced several years of stagnant tourism activity. The

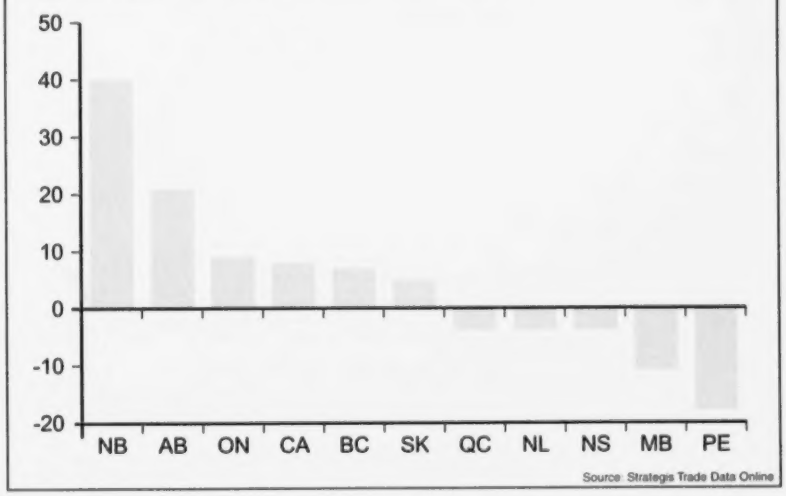
first half of this year, prior to the peak season, shows little change to this trend. Overnight stays from New Brunswick and Nova Scotia are up 4% and 6% year-to-date, respectively. Overall Canadian visitations are down 4%. International overnight stays are less frequent so far in 2010, although international and U.S. stays did increase in June over the same month last year. However, one of the Island's strongest sources of international tourists, Japan, increased their overnights stays by 21% from 2009. Preliminary figures to the end of July suggest tourism traffic is rebounding. As the tourism sector struggles with a weaker American consumer and a strong Canadian dollar, employment in tourism-supporting industries like information, culture and recreation and accommodation and food services have declined a combined 8% in the first seven months of 2010. The recent announcement of construction of a $17.5 million dollar convention centre on the Island should reverse this trend by adding $6.5 million of new tourism spending to the province per year.

Although it will take time for the financial returns to materialize, government officials believe their outlay of $1 million to bring the *Live! with Regis and Kelly* show to the province has been worthwhile. Tourism officials feel that 30 second television advertisements are often ignored and that having the show broadcast from Charlottetown was a much better return on their investment. They have estimated the value of the marketing alone to be worth at least $4 million. With nearly four million North American viewers a day, broadcasting over four days, the show drew significant attention to the Island. Well-off American couples over 45 are the largest demographic of viewers of the show, which aligns strategically with the province's tourism target market. CTV has reported that the broadcast from Confederation Landing in Charlottetown had 968,000 Canadian viewers, the most ever for an episode of the show. On the first day of broadcasting "Prince Edward Island" was the second most popular Google search term in the United States.

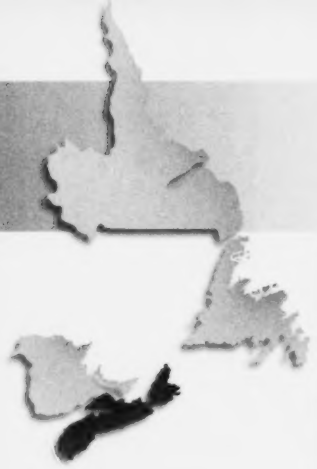
Education

A number of changes in the province's education sector will come into effect this September. Kindergarten classes will be added to the public school system, increasing school board staffing requirements by 110 teaching positions and the education budget by $6.8 million. Employment in education is already up 18% in the first seven months of 2010. Fourteen schools in total will be adding the new teachers and classes. The province will have an overall 12.5 student to teacher ratio for K-12 in 2010-11.

Weakness in Farming is Causing PEI Export Growth to Lag the Rest of Canada
Change in exports, Jan - May 2010 vs Jan - May 2009 (%)



Pre-school care will also fall under provincial regulation this September. The province has increased its early childhood development funding by 63% to $8.7 million. Minimum enrolment of 40 children means that smaller daycare centres will be forced to merge to be eligible for provincial funding. For Islanders, the benefits include regulated daycare costs to increase affordability for families, expanded services and better wages for early childhood educators. Holland College has announced it will need to expand its early childhood education program in order to meet the increased need for early childhood educators. To date, 34 Early Year Centres have been approved in the first round and 15 centres are considered round-two applicants under the provincial pre-school excellence initiative. ■

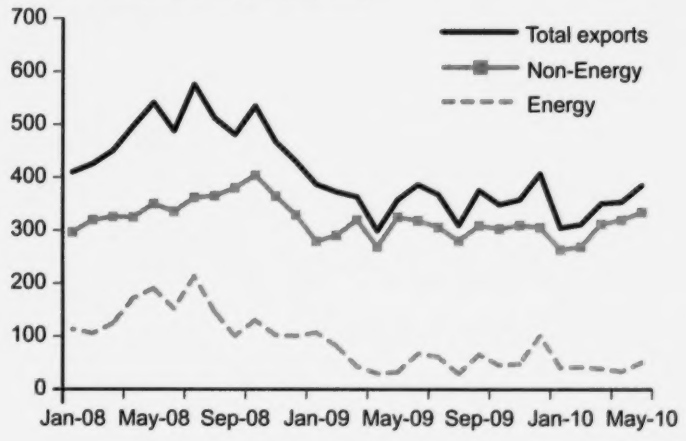


Provincial Report
Nova Scotia

Current Conditions

Nova Scotia's industrial sector is finally showing modest signs of improvement, broadening the province's recovery beyond the retail sector. However, the labour market is rebounding at only a tepid pace compared to Newfoundland and Labrador and Prince Edward Island.

Exports Face a Long Road Ahead Before Gaining Lost Ground
Nova Scotia's merchandise exports ($millions)



Source: Strategis Trade Data Online

Manufacturing shipments have increased 4% in the first five months of 2010, although employment in the sector has fallen since last year. Monthly shipments are still 12% below 2008 levels. Non-energy exports have ceased their downward trend, rising 1% this year with four consecutive monthly gains. Improvements in tires and wood products led the increase, but non-energy exports are still 17% below their October 2008 peak. Natural gas output is down 14% year-to-date, which is the main reason why energy exports are down 30% year-to-date.

Non-energy exports have ceased their downward trend, rising 1% this year with four consecutive monthly gains.

While average employment in the first seven months is unchanged from the same period in 2009, employment in July reached a 20-month high, just below its pre-recession peak. The unemployment rate still remains at an average of 9% year-to-date. Employment gains have been strongest in health care, up 12%, while public administration and education shed a combined 5,300 jobs this year. Average weekly wages are up 3%, outpacing inflation and hence providing some support for income and spending growth.

Retail has been one of the province's strongest sectors this year with spending up 8% year-to-date. However, spending (on a seasonally adjusted basis) has slowed in April and May, possibly indicating a softening trend in the future. Sales of automobiles, building materials and electronics have been strong in the first five months. While a rise in the HST may increase the nominal value of retail sales in the second half of the year, it may dampen the volume of sales – particularly for larger items and discretionary purchases – resulting in rising inflation.

Halifax Housing Sector

Activity in Halifax's housing sector has risen dramatically since this time last year, dominating overall provincial housing figures.

Housing starts are up 81% in the city so far this year (compared to a 58% gain provincially) with the majority of new construction concentrated in the downtown and Clayton Park area. Apartment starts have made the largest impact, adding 493 units compared to an increase of 467 single family dwellings. Rising house prices and interest rates have precipitated a shift towards more affordable housing options, while in-migration of people from outside the province has further lowered apartment vacancy rates. Apartment vacancy rates have declined from 3.8% in April of 2009 to 2.5% in April of this year.

The resale market has also been strong with existing home sales in Halifax rising 10% year-to-date. House prices have also risen 6% so far this year. With rising interest rates also pushing up average monthly interest costs from last year, and limited real wage growth once the HST boosts inflation, diminishing housing affordability is likely to place a drag on the Halifax housing market throughout the remainder of the year.

June figures already support this conclusion as housing starts recorded their first decline for the year, while existing home sales fell for the second straight month.

Offshore Industry

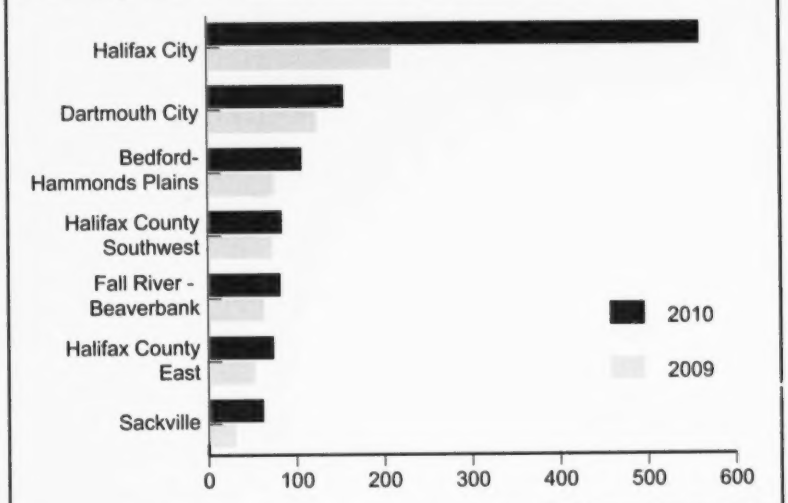
Hopes for further activity in Nova Scotia's offshore natural gas industry were dealt a blow this summer after ExxonMobil opted not to extend the life of the Sable gas project by developing smaller satellite fields. Natural gas prices have been weak since the recession started, hitting bottom in September 2009 at US$3 per thousand cubic feet. Although prices have rebounded from their lows, the average price for July is still hovering around US$4.50, well below the June 2008 high of US$13. Futures contracts trading as far out as July of 2012 are only trading near US$5.50, indicating continued weakness for natural gas prices over the next two years. In a related move, ExxonMobil Canada's new president will be based in St. John's rather than Halifax, reflecting the relative shift in offshore activity between the two provinces.

This July, the Nova Scotia Offshore Petroleum Board announced the outcome of two parcels of land auctioned for offshore exploration. Unfortunately neither parcel found a bidder. Offshore natural gas investments are facing increased competition from cheaper on-land shale gas opportunities available throughout the United States.

Nova Scotia Power

Under the Environmental Goals and Sustainable Prosperity Act, the province set a target to reduce mercury emissions by 70% to 65 kilograms by the end of 2010. Roughly 70% of the province's current energy requirements are met by coal, the primary mercury emitter, causing Nova Scotia to be disproportionately affected by this environmental standard. In order to meet the mercury emission standard as well as a top-up under the fuel adjustment mechanism to recoup higher costs due to rising coal prices from November 2009 through 2010, Nova Scotia Power requested a rate increase of 12% for households and 18% for businesses as of January 1st, 2011. However, to mitigate such a large rate increase, the provincial government has postponed the environmental target date until 2014 in exchange for an even stricter 35 kilogram limit by 2020. Longer-term, new federal environmental regulations proposed for 2011 could require the phase-out of older, coal-fired generating stations.

Apartment Construction in the Heart of Halifax is Dominating Growth in 2010
Total housing starts in Halifax CMA, Jan - Jun 2010 vs Jan - Jun 2009 (Units)



Source: Canada Mortgage and Housing Corporation

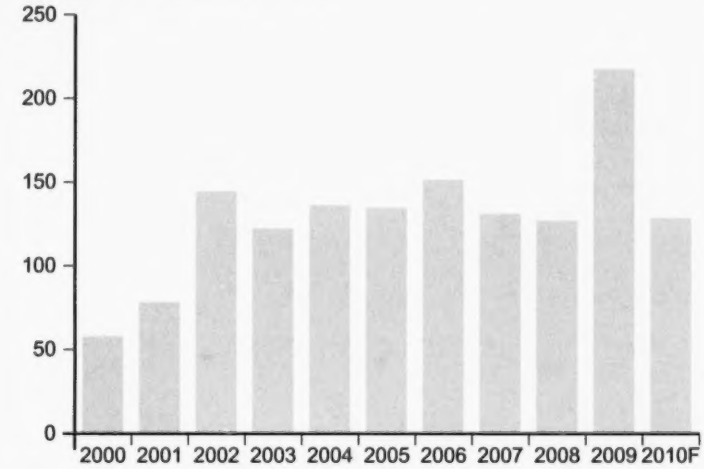
The premiers of Nova Scotia and New Brunswick recently announced a regional energy agreement between NB Power and Nova Scotia Power to enhance the transmission of electricity between the two provinces. Nova Scotia Power applied for approval with the Utility and Review Board to spend $6.9 million to acquire the rights of way for a 500 MW power line between Nova Scotia and New Brunswick to supplement an existing 300 MW line. Current cost projections for the line are in the vicinity of $400 million with an estimated timeline for regulatory approval and construction of four years. The new transmission line would increase Nova Scotia's capacity to import power and to export any excess power from its own renewable energy projects. A proposed $208 million biomass project is currently under review. ■

Provincial Report
New Brunswick

Current Conditions

Overall economic performance remains positive, with strong rebounds in exports and manufacturing shipments, and solid consumer spending growth in the first half of 2010. However, there are some signs of weakening activity in New Brunswick.

Moncton Building Permits Return to Normal Levels
Value of total building permits ($millions)



Source: City of Moncton

Employment in New Brunswick has dipped 0.2% in the first seven months of 2010, with the largest declines in public administration, professional services, and business services, but gains in construction, trade and other services. Lower major project activity could explain the pull back in professional services, as this includes architects, engineers, accountants and lawyers. A number of contact centres have scaled back operations in 2010, which would contribute to the loss in business services employment. A drop in employment in accommodation and food services is consistent with weak tourism activity, as room sales are flat year-to-date.

Retail sales, excluding gasoline, are up over 7% in the first quarter, largely due to double digit growth in new motor vehicles.

Despite flat employment, average weekly wages increased over 2% in New Brunswick in the first five months of 2010 providing salary gains. While retail sales averaged 7% higher in the first five months of 2010, than in 2009, retail sales have not increased substantially from levels experienced in the latter part of 2009. Retail sales growth is still above the national pace, but month-over-month growth in 2010 is nil as May 2010 sales are the same as December 2009 sales. Aside from higher average gas prices, gains reflect strength in autos, building materials and general merchandise. The recent increase in Nova Scotia's HST rate could increase cross-border shopping in New Brunswick.

First-half housing starts were strong in Moncton, increased modestly in Fredericton, but retracted in Saint John as major projects subsided. Average existing home prices in New Brunswick crept up a mere 1.5% in the first half of 2010. Rising interest rates and changes to mortgage rules could dampen the home market. The total value of non-residential investment in the first half of 2010 is up 16%, driven by publicly funded institutional and highway projects. This offset declines in private sector investment in industrial and commercial projects.

Energy exports jumped 57% in the first five months, fuelled by a 49% jump in petroleum refining and activity at Canaport's LNG facility, which did not begin operations until mid-2009.

Non-energy exports increased 9.5%, the strongest growth in Canada. Gains in lumber and pulp offset losses in paper, but lumber prices have softened in recent months. Seafood product exports increased almost 19%, but the suspension of the scallop fishery in the Chaleur region due to declining stocks could reduce fish exports later this year. Meanwhile, Connors Brothers is investing $12 million in the modernization of its sardine plant. Potash exports recovered following shutdowns last year at Potash Corporation. FPM Peat Moss Co. Ltd. has received an exploration license and plans to invest $5 million over five years, which could boost peat exports. French fry exports continue to display a significant decline as a result of lower U.S. demand.

Moncton

Moncton's economy appears to be doing well. Employment in the Moncton-Richibucto economic region rose 2% in the second quarter versus the same period in 2009. Casino New Brunswick opened its doors in May, which raised employment. A recent report from Enterprise Greater Moncton shows that even

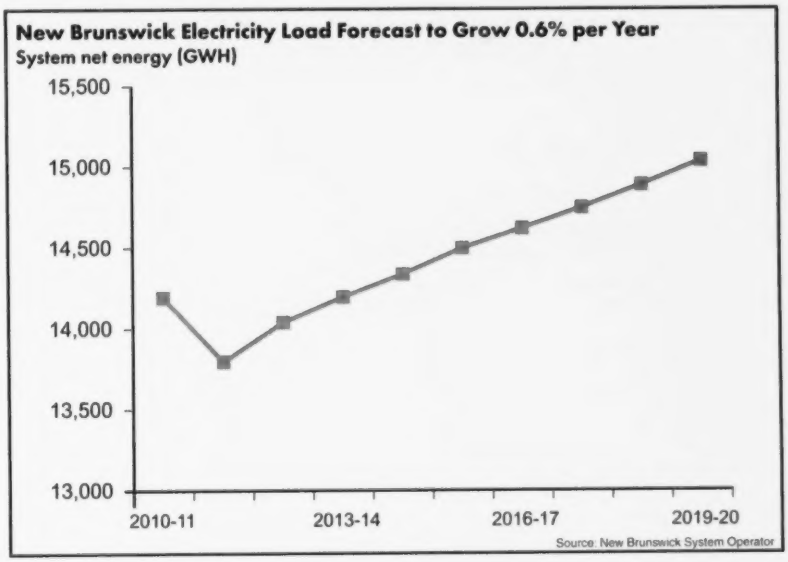
though contact centre employment fell from 7,800 jobs in 2006 to 7,200 jobs in 2009, it still accounts for 10% of the region's employment. CGI recently won a seven-year contract to supply Atlantic Lottery Corporation (ALC) with information technology services and will absorb 80 ALC staff and set-up an office in Moncton. Moncton's tourism industry received a boost when it hosted the International Amateur Athletic Federation World Junior Championships in July.

The value of total building permits reached $217 million in 2009, but is forecast to return to a normal level of $129 million in 2010. The City of Moncton is investing $28 million in capital projects in 2010. While the value of non-residential building permits has slowed compared to 2009 because of the completion of a courthouse, stadium and casino, the value of residential building permits rose 25% in the first half of 2010 and housing starts are up 66%.

NB Power

Areva, NB Power (Nuclearco) and the Government of New Brunswick have signed a letter of intent (LOI) to create a framework between the three parties for development of a clean energy park, including a nuclear generating station. A final agreement could be reached by June 2011. The New Brunswick System Operator (NBSO) recently updated its ten-year electricity load forecast and it concluded there will be enough generation capacity to meet domestic demand up to 2020. The proposed new nuclear generating facility would be brought on-stream by 2020 to deal with domestic and export demand beyond NBSO's current ten-year forecast. Refurbishment of the existing Point Lepreau nuclear generating station is now 75% complete, according to Atomic Energy of Canada Ltd., but the Department of Energy announced that the refurbishment project is still at least one year away from completion.

The governments of New Brunswick and Nova Scotia, along with NB Power and Emera, are exploring the possibility of increasing electricity transmission between the two provinces. Existing transmission capacity between the two provinces is in the 300 - 350 MW range. The parties are considering boosting transmission capacity by 500 MW, which would benefit greater regional energy integration.

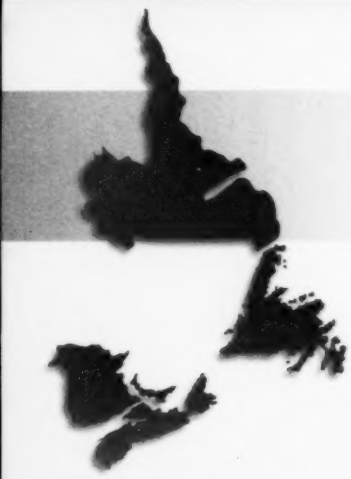


NB Power is implementing cost cutting measures to limit future power rate increases. Measures include: reducing the number of vice presidents from eight to five; cutting management and administrative positions by 20% via attrition and early retirement; reducing outsourced services; and reviewing term and casual positions. The goal is to save upwards of $20 million by reducing employment by 200 positions.

Other Energy Developments

In other energy developments, Irving Oil Ltd. will not renew its leases for tidal power test sites due to concerns about the future policy environment and the viability of current tidal technology. Irving has also abandoned plans to build a biodiesel refinery. On a positive note, Irving has begun installation of a $99 million dehexanizer tower to produce cleaner gasoline at its Saint John refinery which should be online by mid-2011. Windsor Energy has begun seismic testing for natural gas in southern New Brunswick.

The provincial government recently awarded eight allocations of crown forest land to forestry businesses for co-generation using 1.276 million cubic metres of biomass, which could displace the use of 200 million litres of oil. This activity will come under the new Crown Land Forest Harvesting Biomass Policy. Currently, forestry-related mills in New Brunswick have the ability to generate 152 MW of electricity from biomass.■



Atlantic Report

Atlantic Economic Snapshot

ATLANTIC ECONOMIC SNAPSHOT

Labour Markets

	Period	NFLD	PEI	NS	NB	Atlantic	Canada
Employment	Jan-Jul 10	220.2	71.7	454.0	365.0	1,110.9	17,053.1
thousands	Jan-Jul 09	214.2	68.9	452.7	365.8	1,101.6	16,839.8
	%change	2.8	4.1	0.3	-0.2	0.8	1.3
Unemployment Rate	Jan-Jul 10	14.8	10.6	9.0	9.0	10.3	8.1
percent	Jan-Jul 09	15.3	12.3	9.1	9.0	10.5	8.2
Unemployment Rate	Jul 10	15.0	10.8	9.3	9.0	10.5	7.9
percent (current month)	Jul 09	17.0	12.2	9.2	9.1	11.0	8.6
Participation Rate	Jan-Jul 10	59.9	68.6	64.4	64.3	63.6	67.2
percent	Jan-Jul 09	59.1	67.8	64.5	64.7	63.6	67.4

Consumer Markets

	Period	NFLD	PEI	NS	NB	Atlantic	Canada
Consumer Price Index (CPI)	Jan-Jun 10	116.9	119.1	117.4	115.7	n/a	115.8
2002=100, unadjusted (period avg.)	Jan-Jun 09	114.2	116.3	114.9	112.7	n/a	114.1
	%change	2.4	2.3	2.2	2.6	n/a	1.5
Residential Permits	Jan-Jun 10	433.6	71.5	510.7	307.3	1,323.1	23,062.6
$ millions	Jan-Jun 09	293.6	46.3	347.5	252.2	939.7	14,117.2
	%change	47.7	54.4	46.9	21.8	40.8	63.4
Urban Housing Starts	Jan-Jun 10	959.0	263.0	1,569.2	1,203.0	3,994.0	79,871.0
Units; unadjusted	Jan-Jun 09	773.0	226.0	976.0	1,076.0	3,051.0	52,262.0
	%change	24.1	16.4	60.8	11.8	30.9	52.8
Rural Housing Starts	Jan-Jun 10	604.0	69.0	344.0	400.0	1,417.0	10,430.0
Units; unadjusted	Jan-Jun 09	269.0	74.0	236.0	330.0	909.0	7,308.0
	%change	124.5	-6.8	45.8	21.2	55.9	42.7
Retail Trade	Jan-May 10	3,093.5	740.8	5,300.7	4,381.0	13,516.0	180,912.3
$ millions	Jan-May 09	2,901.3	687.9	4,913.7	4,079.5	12,582.4	169,538.6
	%change	6.6	7.7	7.9	7.4	7.4	6.7

Industrial Markets

	Period	NFLD	PEI	NS	NB	Atlantic	Canada
Total Non-Energy Exports	Jan-May 10	785.1	282.0	1,497.8	1,563.7	4,128.6	121,715.0
$ millions, unadjusted	Jan-May 09	1,156.4	343.8	1,484.5	1,428.6	4,413.2	118,495.2
	%change	-32.1	-18.0	0.9	9.5	-6.5	2.7
Total Energy Exports	Jan-May 10	2,395.7	1.7	207.1	3,942.8	6,547.2	40,123.7
$ millions, unadjusted	Jan-May 09	2,159.3	1.1	296.2	2,510.5	4,967.0	31,041.0
	%change	10.9	55.1	-30.1	57.1	31.8	29.3
Manufacturing Shipments	Jan-May 10	1,786.4	495.7	3,889.8	7,178.1	13,349.9	221,596.9
$ millions	Jan-May 09	1,604.9	569.4	3,729.0	5,665.4	11,568.7	201,168.8
	%change	11.3	-12.9	4.3	26.7	15.4	10.2
Non-Residential Permits	Jan-Jun 10	232.1	46.2	387.9	255.7	921.9	14,023.0
$ millions	Jan-Jun 09	74.4	34.0	294.6	257.7	660.7	13,336.5
	%change	211.7	36.1	31.7	-0.8	39.5	5.1

Note: Seasonally adjusted unless otherwise noted (unadjusted).

Source: Statistics Canada

Atlantic Economic Snapshot

ATLANTIC ECONOMIC SNAPSHOT

Labour Markets

	Period	NFLD	PEI	NS	NB	Atlantic	Canada
Employment	Jan-Jul 10	220.2	71.7	454.0	365.0	1,110.9	17,053.1
thousands	Jan-Jul 09	214.2	68.9	452.7	365.8	1,101.6	16,839.8
	%change	2.8	4.1	0.3	-0.2	0.8	1.3
Unemployment Rate	Jan-Jul 10	14.8	10.6	9.0	9.0	10.3	8.1
percent	Jan-Jul 09	15.3	12.3	9.1	9.0	10.5	8.2
Unemployment Rate	Jul 10	15.0	10.8	9.3	9.0	10.5	7.9
percent (current month)	Jul 09	17.0	12.2	9.2	9.1	11.0	8.6
Participation Rate	Jan-Jul 10	59.9	68.6	64.4	64.3	63.6	67.2
percent	Jan-Jul 09	59.1	67.8	64.5	64.7	63.6	67.4

Consumer Markets

	Period	NFLD	PEI	NS	NB	Atlantic	Canada
Consumer Price Index (CPI)	Jan-Jun 10	116.9	119.1	117.4	115.7	n/a	115.8
2002=100, unadjusted (period avg.)	Jan-Jun 09	114.2	116.3	114.9	112.7	n/a	114.1
	%change	2.4	2.3	2.2	2.6	n/a	1.5
Residential Permits	Jan-Jun 10	433.6	71.5	510.7	307.3	1,323.1	23,062.6
$ millions	Jan-Jun 09	293.6	46.3	347.5	252.2	939.7	14,117.2
	%change	47.7	54.4	46.9	21.8	40.8	63.4
Urban Housing Starts	Jan-Jun 10	959.0	263.0	1,569.2	1,203.0	3,994.0	79,871.0
Units; unadjusted	Jan-Jun 09	773.0	226.0	976.0	1,076.0	3,051.0	52,262.0
	%change	24.1	16.4	60.8	11.8	30.9	52.8
Rural Housing Starts	Jan-Jun 10	604.0	69.0	344.0	400.0	1,417.0	10,430.0
Units; unadjusted	Jan-Jun 09	269.0	74.0	236.0	330.0	909.0	7,308.0
	%change	124.5	-6.8	45.8	21.2	55.9	42.7
Retail Trade	Jan-May 10	3,093.5	740.8	5,300.7	4,381.0	13,516.0	180,912.3
$ millions	Jan-May 09	2,901.3	687.9	4,913.7	4,079.5	12,582.4	169,538.6
	%change	6.6	7.7	7.9	7.4	7.4	6.7

Industrial Markets

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Source: Statistics Canada